Micro-Economic Monitor

First Quarter, 2001

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This document is also available on the Internet at http://strategis.ic.gc.ca/sc_ecnmy/mera/engdoc/04.html

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Overview

Output advances at a modest pace in the first quarter of 2001...

The Canadian economy expanded by 2.6% (annual rate) in the first quarter of 2001. This result was stronger than expected, but nonetheless well below the 4.4% growth recorded for 2000 as a whole.

- **Domestic demand was mixed in the first quarter. Consumer spending posted a solid advance and construction activity was robust, but business investment in machinery and equipment (M&E) fell sharply for the second straight quarter. The current slowdown has hit hardest in Manufacturing (notably the automotive and telecommunications equipment industries) and related Services industries.**

- **Reflecting the impact of slower growth in the United States, external demand was weak. Real exports fell in the first quarter, although imports declined at an even faster rate. Higher energy prices boosted the trade and current account surpluses to all-time highs.**

...and growth is expected to remain sluggish

Strong income gains, lower interest rates and recent tax cuts provide a solid footing for the domestic economy. However, indications that the U.S. slowdown may persist and that Europe and Japan are also weakening cast doubt on how quickly the outward-oriented Canadian economy can rebound. Indeed, job growth has slowed markedly this year, with all net job gains in part-time work.

Domestic Scene

Real Economic Activity

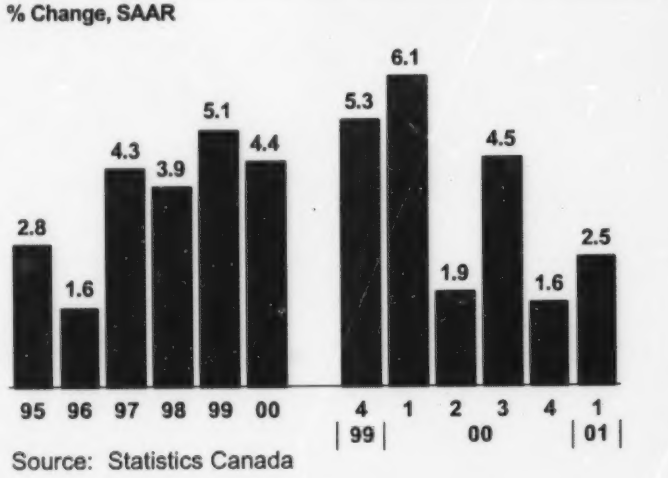
The economy posts a modest advance to start off the year...

Real GDP rose 2.5% (annual rate) in the first quarter of 2001. This marks an improvement from the previous quarter, but is still well below the strong pace of growth set in recent years.

With regularly-scheduled revisions and some important methodological changes (see box below), output growth for 2000 was revised down to 4.4%, compared to an original estimate of 4.7%.

- **The consensus forecast calls for growth of around 2.5% for 2001 as a whole.**

Real GDP Growth



Source: Statistics Canada

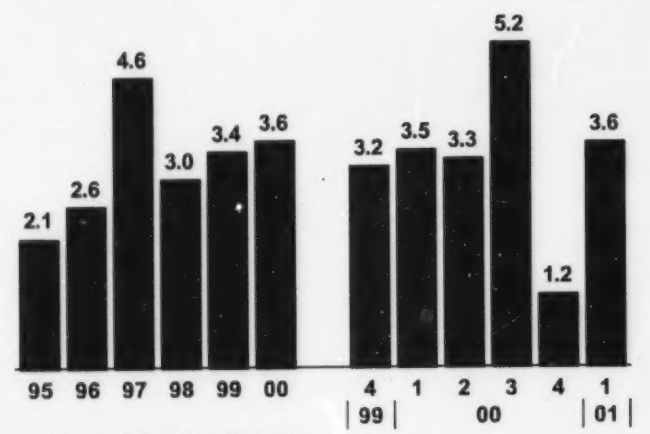
With this release, Statistics Canada has adopted the chain Fisher method to estimate changes in real GDP. By keeping the weights used to add up real output as current as possible, the chain Fisher method produces more accurate measures of quarter-to-quarter growth in GDP. This change also makes Canada's System of National Accounts more internationally comparable.

...boosted by a solid gain in consumer spending...

Consumer spending advanced a solid 3.6% (annual rate) in the first quarter, rebounding from weakness late last year.

- **Auto sales rebounded from a sharp drop in the fourth quarter. Purchases of other big-ticket items such as furniture and appliances were boosted by the active housing market.**

Real Consumer Expenditure Growth

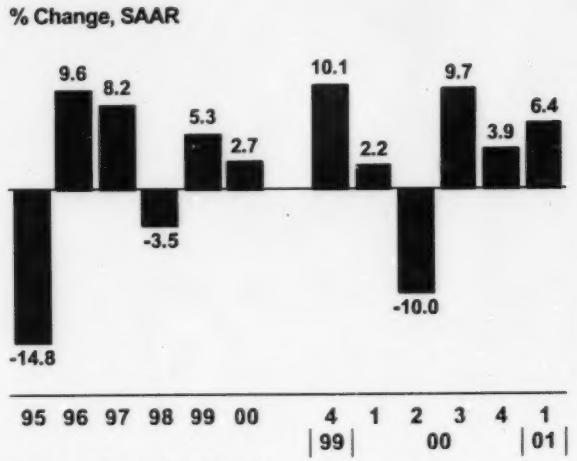


Source: Statistics Canada

...and robust activity in the housing sector

Residential construction was up 6.4% in the first quarter, aided by the largest single jump in new housing construction since the end of 1999. Renovation activity also increased markedly on the quarter.

Real Residential Construction Growth



Source: Statistics Canada

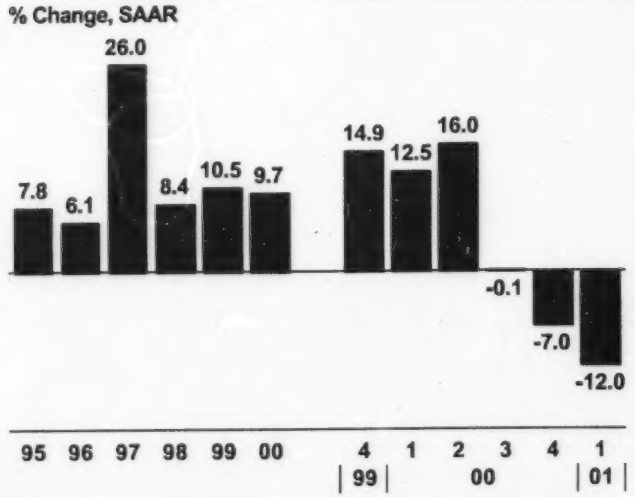
However, investment in M&E falls sharply....

Business investment in machinery and equipment (M&E) fell 12.0% (annual rate) in the first quarter, the second straight notable drop.

- **Losses were widespread, including pronounced declines for industrial machinery, automobiles, other transportation equipment and telecommunications equipment.**

Lower investment reflects falling business confidence and an uncertain profit outlook.

Real Machinery & Equipment Investment



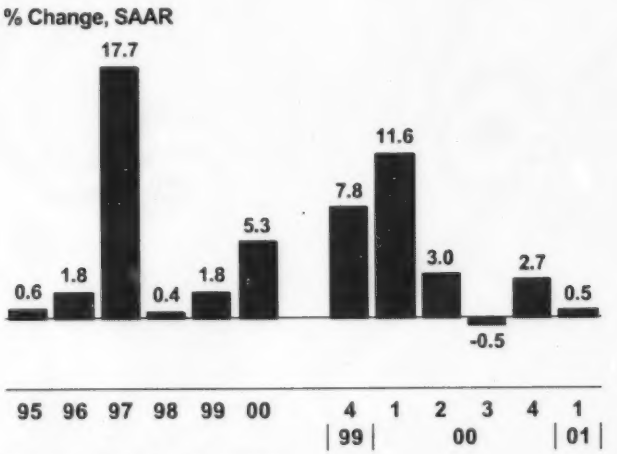
Source: Statistics Canada

Business and government expenditures on software, which previously had been treated as current expenses, are now treated as capital expenditures. This change makes Canada's System of National Accounts more internationally comparable.

...non-residential construction is flat...

Non-residential construction activity paused in the first quarter of 2001. Declines in building construction largely offset increased activity in the oil and gas sector.

Real Non-residential Construction Growth



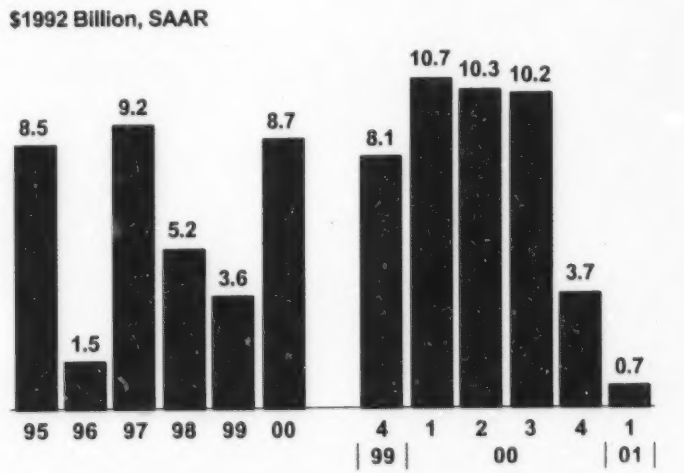
Source: Statistics Canada

...inventory accumulation drops off...

Business investment in non-farm inventories totalled $0.7 billion in the first quarter, down sharply compared to the strong buildup in 2000.

- **This drop in inventories was concentrated in the automotive sector.**

Non-farm Business Inventory Investment



Source: Statistics Canada

...and real exports are down

Reflecting weak U.S. demand, real exports fell 5.7% (annual rate) in the first quarter.

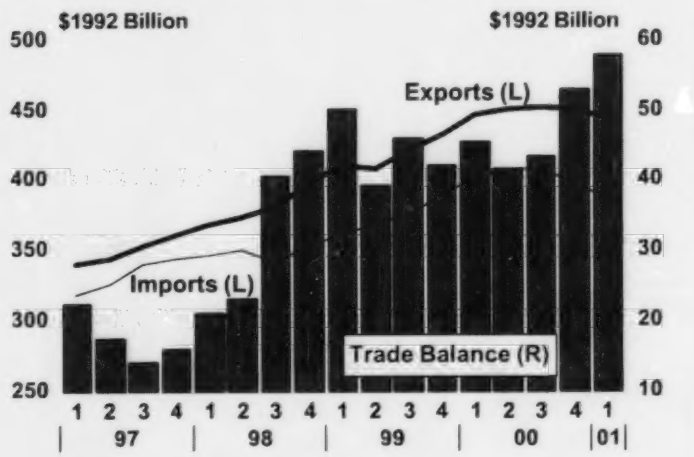
- **Although energy exports were higher, this was more than offset by lower exports of autos and the largest drop in M&E exports in nearly a decade.**

Imports fell at an even faster pace (-11.0%), the steepest drop since 1984.

- **This decline can be traced to lower domestic investment and reduced activity in the automotive sector.**

The sharper drop in imports raised Canada's real trade surplus to an all-time high.

Real Exports and Imports of Goods & Services



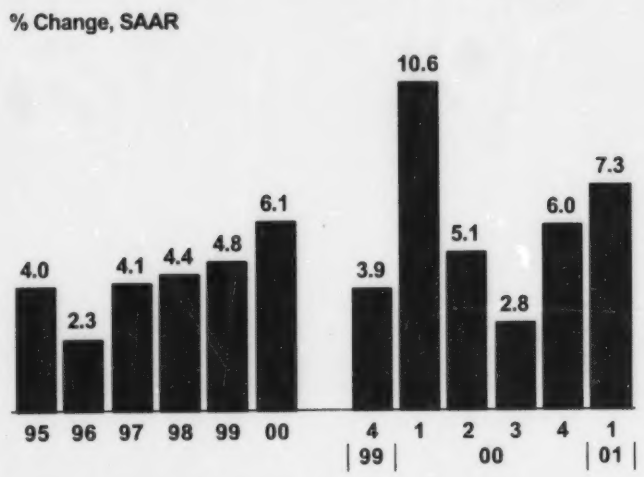
Source: Statistics Canada

Domestic Scene

Income Side

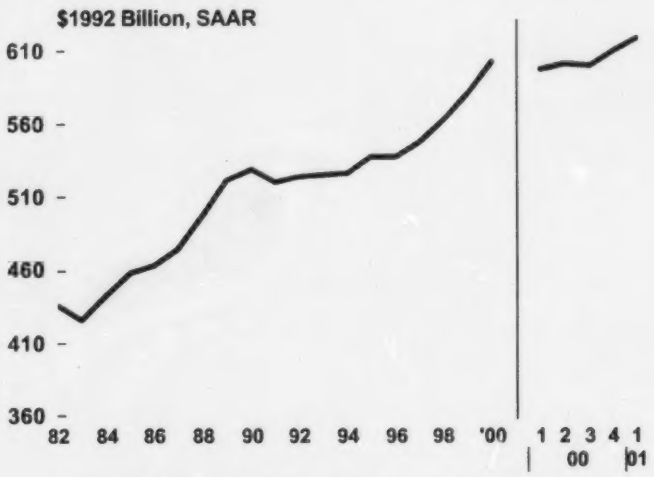
Strong income growth...

Growth in Personal Income



Source: Statistics Canada

Real Personal Disposable Income*



*Converted to real dollars using the chain price index for personal expenditure on goods and services.
Source: Statistics Canada and Industry Canada

Personal income surged an annualized 7.3% in the first quarter of 2001. Incomes were boosted by a 5.6% increase in labour income as well as provincial rebates and federal transfers to provide relief from higher energy prices.

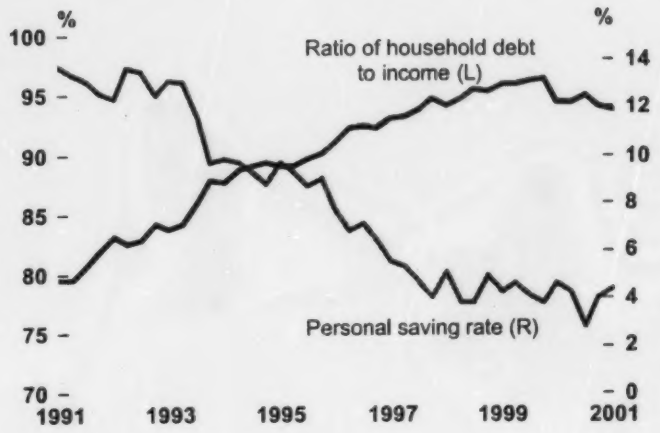
After adjusting for inflation, personal disposable income rose 5.5% on the quarter, building on a solid 3.5% overall gain in 2000.

...improves household finances

Household finances improved further in the first quarter.

Strong income growth raised the personal saving rate to 4.4%. The household debt-to-income ratio dropped to 93.7%, the lowest since 1997.

Personal Debt and Savings Rate



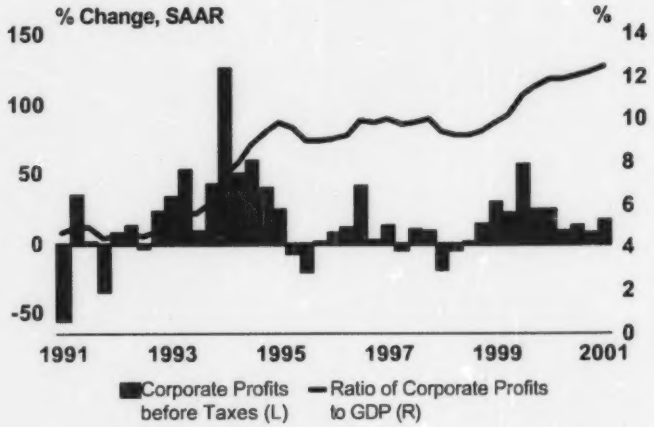
Source: Statistics Canada

Profits surge in the oil patch, but are down in Manufacturing

Corporate profits increased 16.2% (annual rate) in the first quarter of 2001.

- **Higher prices boosted results for the energy sector, but profits were down in Manufacturing.**
- **Energy rebates to businesses in Western Canada added to profits on the quarter.**

Corporate Profits



Source: Statistics Canada

Domestic Scene

Price Movements

Inflation falls in the first quarter, but rises sharply in April...

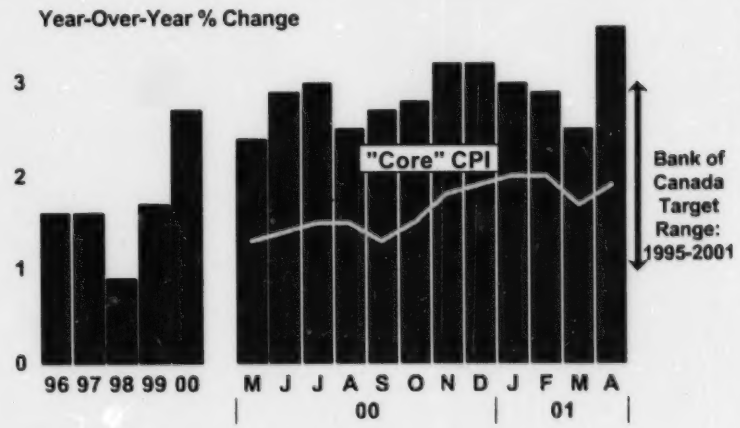
Consumer price inflation averaged 2.8% in the first quarter of 2001, down from 3.2% at the end of last year.

- **Although energy prices moderated early this year, soaring natural gas prices in particular continue to exert significant upward pressure on the general price level. Higher food prices also contributed.**

After falling to 2.5% in March, inflation subsequently jumped up to 3.6% in April, the highest rate since 1991.

- **Still, "core" inflation – excluding the volatile food and energy components as well as the impact of indirect taxes – was only 1.9%, just below the mid-point of the official 1-3% target range.**

Consumer Price Index



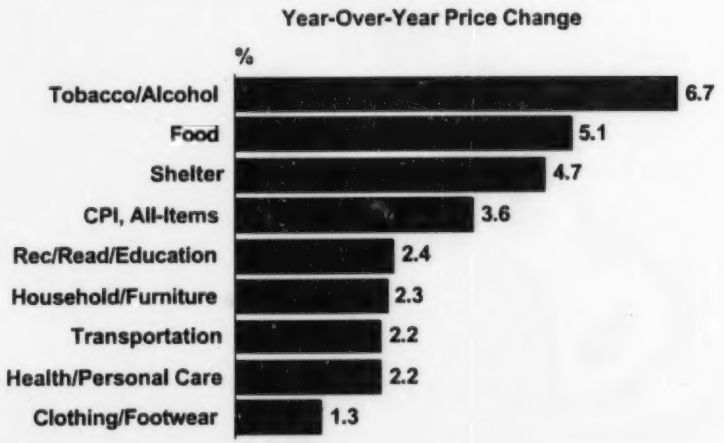
Source: Statistics Canada & Bank of Canada

...boosted by higher energy and food prices

Energy prices surged 11.6% in April on a year-over-year basis. This increase, the largest in almost ten years, reflects an unusually steep decline in energy prices in April 2000.

- **Higher energy prices – particularly for natural gas – and higher food prices accounted for more than half of the year-over-year rise in the general price level for April.**
- **Other contributing factors were increased taxes on cigarettes and higher mortgage interest costs.**
- **Lower costs for air transportation, computer-related products and automobile insurance had a dampening effect on inflation.**

Components of CPI: April 2001



Source: Statistics Canada

Energy prices also influence producer prices

The year-over-year increase in the cost of raw materials slowed in the first quarter of 2001, but bounced back up to 7.9% in April.

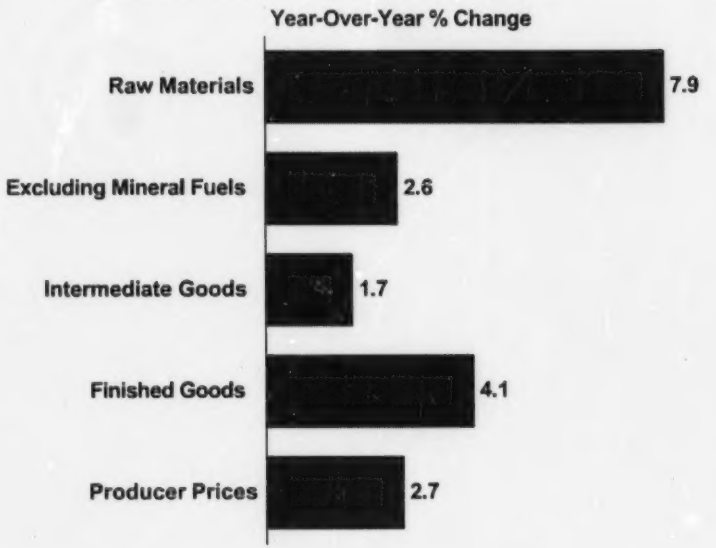
- **Excluding mineral fuels, which provided most of this upward pressure, the raw materials price index would have risen only 2.6%.**

Increases in industrial product prices – those received by producers at the factory gate – also slowed in the first quarter before strengthening in April.

- **Higher petroleum and coal product prices accounted for about one-quarter of the overall 2.7% rise in prices for April.**

- **Rising prices for motor vehicles and chemical products also contributed, but their impact was partly offset by lower prices for lumber and primary metals.**

Price Chain - April 2001



Source: Statistics Canada

Domestic Scene

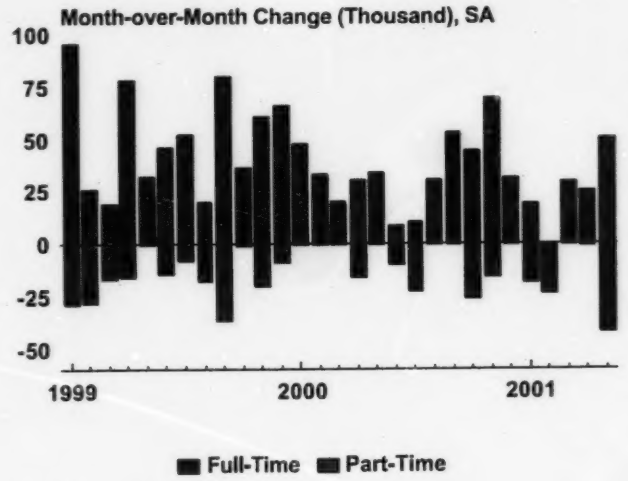
Labour Situation

Job growth softens early in 2001...

Following a solid increase of 325,000 jobs in 2000, labour market conditions have weakened so far this year.

Employment was up 42,000 in the first five months of 2001, with all of these gains in part-time work. Full-time employment has fallen 23,000 over this period.

Employment Growth

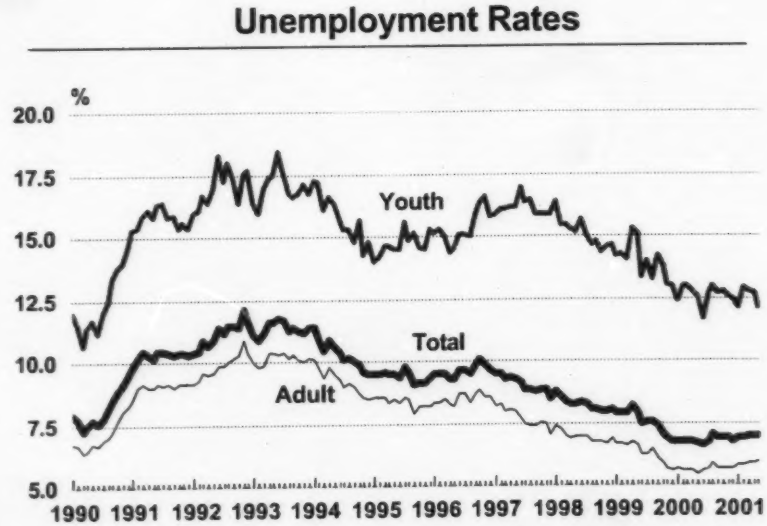


Source: Statistics Canada

...and the national unemployment rate edges higher

Canada's unemployment rate began 2001 at 6.9%, but then rose to 7.0% in March and held steady at this rate in April and May.

- **The adult unemployment rate is up 0.3 points to 6.0% in May. The youth rate has fallen 0.4 percentage points on the year, reaching 12.1% in May**



Source: Statistics Canada

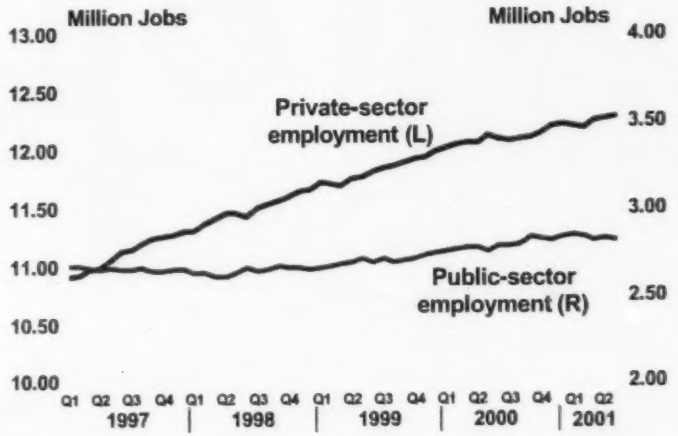
Weaker job growth reflects a slowing economy...

Job creation in the private sector has slowed in line with the weakening economy. Employment in the private sector is up 58,000 so far this year.

- **While the number of paid employees is higher, self-employment fell by 57,000 in the first five months of the year, extending the downward trend that began last year.**

Following a solid gain last year, public sector employment has fallen back slightly in 2001.

Employment: Private vs. Public



Source: Statistics Canada

...and is evident in all provinces except Newfoundland

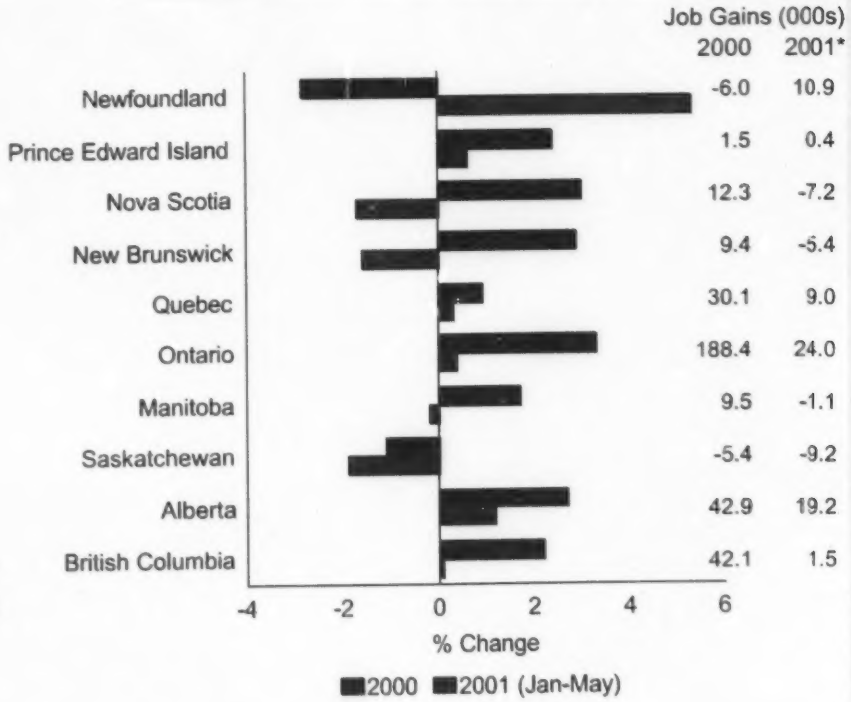
With the exception of Newfoundland – which posted a net job loss in 2000 – employment growth has slowed in every province. Newfoundland's turnaround has been concentrated in Natural Resources and Manufacturing.

In Saskatchewan, the only other province with lower employment last year, job losses (mainly in Agriculture) have intensified this year.

- **Employment is also down in Nova Scotia, New Brunswick and Manitoba so far this year.**

Among those provinces recording higher employment this year, Newfoundland and Alberta have led gains in percentage terms.

Employment Growth by Province, May 2001



*Figures for 2001 are year-to-date (Jan-May)

Source: Statistics Canada

E-4

Newfoundland posts the biggest improvement in unemployment so far this year

Newfoundland's unemployment rate has fallen 2.1 percentage points since the end of last year. Still, its unemployment rate remains the highest among all the provinces.

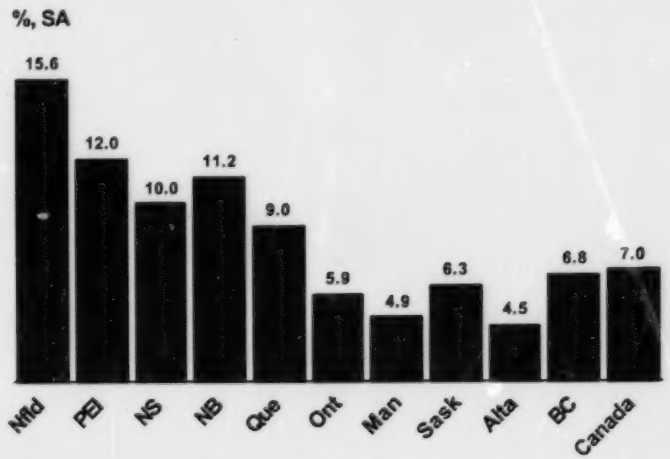
Unemployment rates are down 0.3 points in Alberta and British Columbia on a year-to-date basis. Alberta's rate was at its lowest point in over two decades in May.

In New Brunswick, the unemployment rate is up 1.2 points this year. Rates are up 1.0 point in Nova Scotia, Quebec and Saskatchewan.

- **Except for Quebec, which has had a strong rise in labour force participation, higher unemployment rates are due to job losses.**

Unemployment rates for Ontario, Prince Edward Island and Manitoba are little changed compared to the end of last year.

Unemployment Rates: May 2001



Source: Statistics Canada

Domestic Scene

Financial Variables

Short-term interest rates continue to fall...

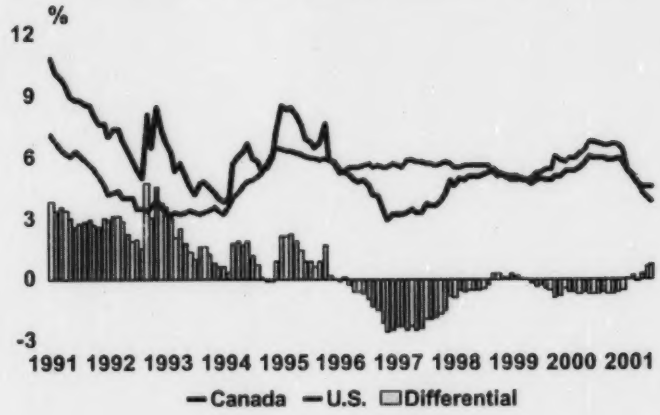
The Bank of Canada cut its key lending rate to major banks by 25 basis points on May 29. This was the fourth cut in the Bank Rate since January, for a total of 125 basis points.

As the U.S. economic slowdown has been more pronounced, U.S. interest rates have been reduced more quickly than in Canada. The U.S. Federal Reserve has cut interest rates by 250 points so far this year, leading to a reversal in the Canada-U.S. rate spread.

- **Canadian short-term rates ended May at 4.5%, nearly 60 points above U.S. rates. Prior to this, short rates had been lower in Canada over most of the last two years.**

Scheduled Bank Rate Announcement Dates
August 28
October 23

Short-Term Interest Rates



Last data point plotted: June 6, 2001

Source: Bank of Canada, 90-day Commercial Paper, last Wednesday in the month

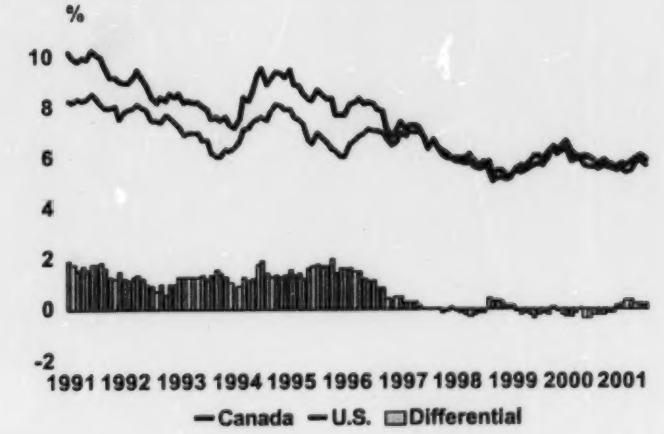
...but long rates trend up on signs of an improving outlook

Canadian bond yields have trended higher since mid-March. Indications of a stronger economic outlook in the U.S. and a return to stability in stock markets have lowered the demand for bonds and pushed up yields.

- **The long-term bond rate was 6.0% at the end of May, about 30 basis points higher than at the end of February.**

However, North American bond yields reversed course in June, falling amid expectations that poorer earnings prospects could forestall a recovery and lead to further cuts in short-term rates.

Long-Term Interest Rates



Last data point plotted: June 6, 2001

Source: Bank of Canada, Government long-term bond, last Wednesday in the month

The Canadian dollar regains some lost ground...

Boosted by a rising current account surplus, the relatively stronger domestic economy and higher interest rates, the Canadian dollar has gained some ground against its U.S. counterpart in recent months.

After falling to US¢63.3 early in April, the dollar has risen more than two full cents, closing June 6th at US¢65.5.

Canada-U.S. Exchange Rate

Last data point plotted: June 6, 2001

Source: Bank of Canada

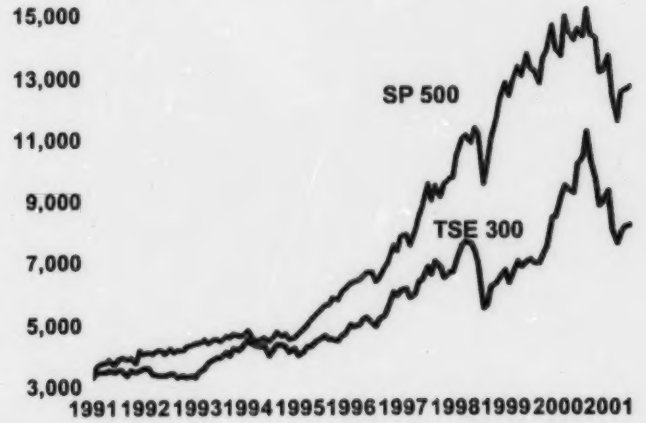
...as stock prices stage a modest recovery

Strength in the Canadian oil and gold sectors contributed to a modest recovery in equity markets in April and May.

- **Weak earnings projections continue to affect stock prices in the high-tech sector, an influential component in the TSE 300 index.**

The Canadian benchmark closed June 6th close to the 8200 mark, up 800 points from its 52-week low early in April. Still, share prices remain down sharply on a year-over-year basis.

Stock Market Indices



Last data point plotted: June 6, 2001

Source: Statistics Canada

Domestic Scene

Fiscal Track

Federal finances to stay in surplus despite the slowing economy

Prior to end-of-year adjustments, the federal government posted a budgetary surplus of $19.8 billion in fiscal year 2000-01.

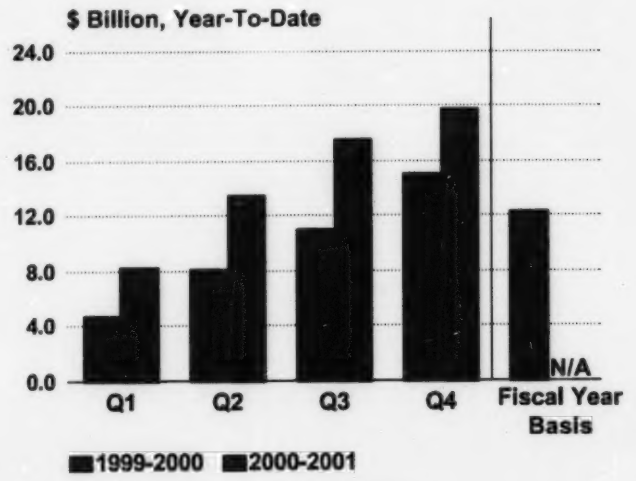
- **Final results, scheduled for release in September, are expected to show a surplus of at least $15 billion last year, all of which will be applied to reducing the debt.**

In its May Economic Update, the federal government reported that it would not fall back into deficit because of the economic slowdown.

- **The projected surplus for the current fiscal year is $7.2 billion, of which $4.0 billion has been set aside for economic prudence and the Contingency Reserve.**

Along with the federal government, eight provinces and one territory are expected to post balanced budgets or surpluses in 2001-2002.

Federal Budgetary Balance



Source: Department of Finance

Domestic Scene

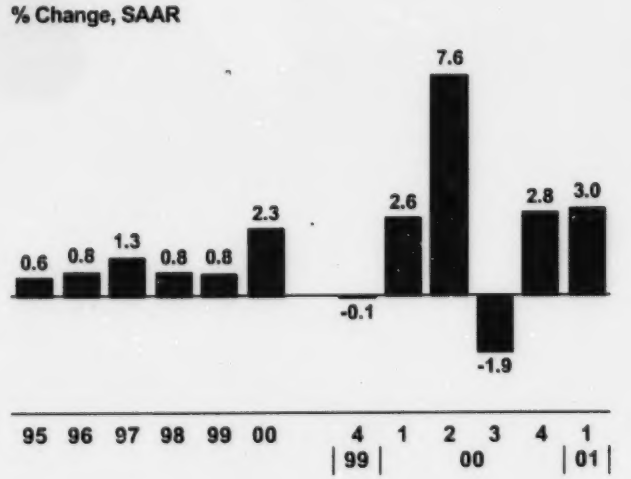
Competitiveness

Despite rising unit labour costs in the first quarter of 2001...

Unit labour costs increased 3.0% (annual rate) in the first quarter of 2001.

- **The total wage bill increased by 5.6%, outpacing the 2.5% rise in total output.**

Growth in Unit Labour Costs



Source: Industry Canada calculations

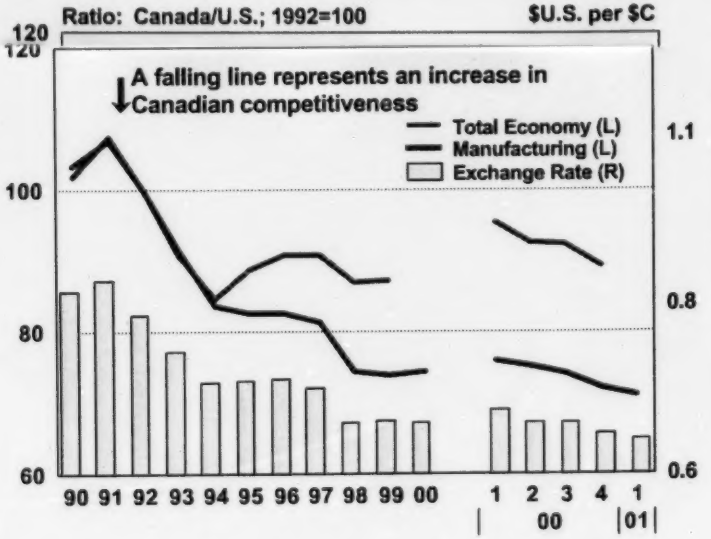
...Canada's cost competitiveness improves

The competitive position of Canadian firms increased relative to U.S. firms in the first quarter of 2001.

At the economy-wide level, and on a common currency basis, Canadian unit labour costs fell 1.7% relative to those in the U.S.

- **Unit labour costs in the U.S. rose more quickly than costs in Canada, and the Canadian dollar also lost ground in the quarter.**

Unit Labour Cost Comparison ($US)



Note: Quarterly manufacturing ULC for 2000Q4 are not yet available.
Source: Industry Canada estimates based on data from the U.S. Bureau of Labor Statistics & Statistics Canada

Domestic Scene

International Accounts

Canada's current account surplus reaches a new high...

Canada's current account surplus rose to an annualized $50.9 billion in the first quarter of 2001.

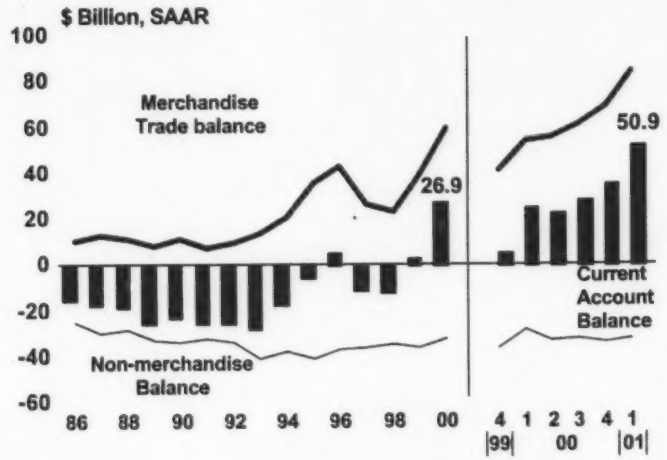
- **Surging energy exports drove the merchandise trade surplus to an all-time high.**

There was a net outflow of $0.5 billion on the capital and financial account.

- **Foreign direct investment in Canada fell back from a record high in the previous quarter, and Canadian direct investment abroad also dropped below recent levels.**

- **Canadian portfolio holdings of foreign stock increased by $12.4 billion in the first quarter. Meanwhile, foreign investors also increased their holdings of Canadian stocks and bonds.**

Current Account & Trade Balances



The merchandise trade balance represents net exports of goods.
The non-merchandise trade balance represents net exports of services plus net receipts of investment income and transfers.

Source: Statistics Canada

...boosted by a record surplus on trade in goods

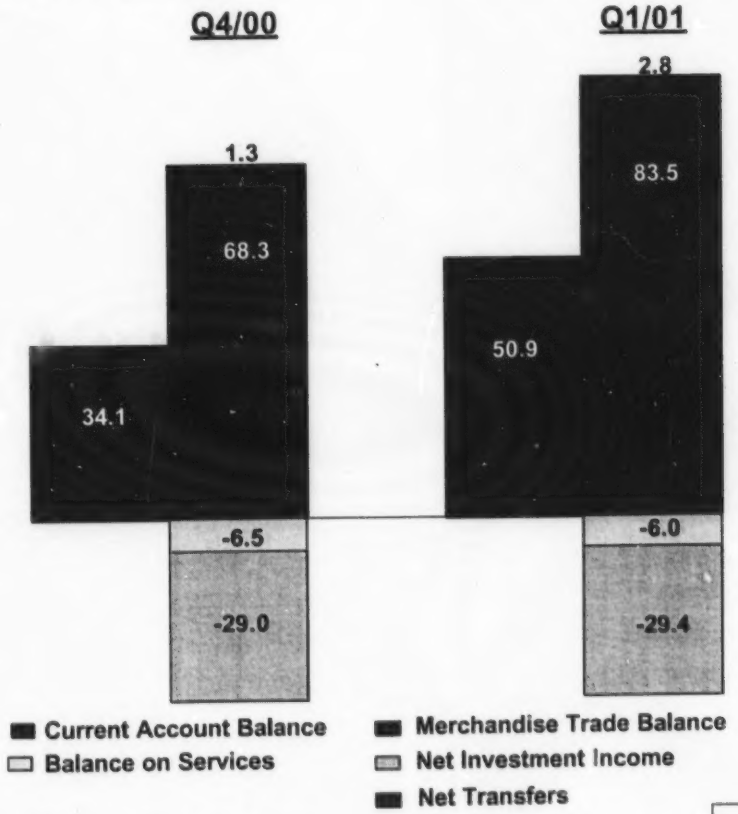
Canada's improved current account position was due to a sharp rise in the merchandise trade surplus.

The goods surplus increased to $83.5 billion (annual rate) in the first quarter, up $15.2 billion from the previous period.

Compared to the sharp rise in the goods surplus, other major components of the current account were little changed in the quarter.

Main Components of the Current Account

$ Billion, SAAR



Source: Statistics Canada

Increased exports of energy products ...

In nominal terms, merchandise exports totalled $108.3 billion in the first quarter of 2001, up 8.5% from a year ago.

- **This upturn was driven by further growth in electricity exports and strong demand and higher prices for natural gas.**

- **Exports of Automotive and Forestry Products were down on a year-over-year basis. Exports of telecommunications products fell sharply from the fourth quarter.**

Merchandise Exports, 2001Q1

	$ Billion	% Change, Jan-Mar/00 - Jan-Mar/01
Total	108.3	8.5
By Trade Partner		
U.S.	93.5	9.6
Japan	2.6	4.4
E.U.	5.7	10.7
All Others	6.6	-4.5
By Principal Commodity		
Agricultural & Fishing Products	7.3	10.2
Energy Products	18.1	69.5
Forestry Products	9.8	-7.0
Industrial Goods & Materials	16.4	4.7
Machinery & Equipment	26.9	10.8
Automotive Products	22.1	-11.7
Other Consumer Goods	4.0	14.1

Source: Statistics Canada

Note: Statistics Canada figures on merchandise trade for the January-March period were released prior to the Balance of Payments data. These data are not consistent because the latter include the impact of a large upward revision to energy exports.

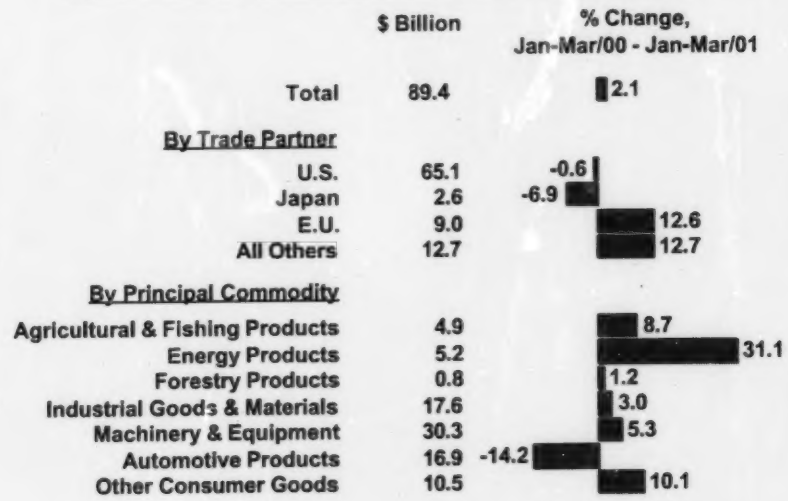
...raise Canada's trade surplus with the U.S.

Merchandise imports were up 2.1% in the first quarter on a year-over-year basis. Lower imports of Automotive Products were offset by higher purchases of Energy Products and M&E.

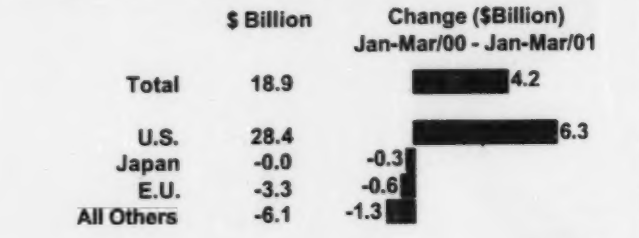
With export growth outpacing imports, Canada's merchandise trade surplus rose to a record high in the first quarter of 2001.

- **A doubling of the surplus for trade in Energy Products accounted for most of this increase.**
- **Regionally, trade with the U.S. accounted for the rise, as deficits with most other major trading regions widened.**

Merchandise Imports, 2001Q1



Balance by Trade Partner, 2001Q1



Source: Statistics Canada

Domestic Scene

Sectoral Overview

Weak demand curtails Manufacturing production in the first quarter...

Real output in the Goods-producing industries fell an annualized 2.9% in the first quarter.

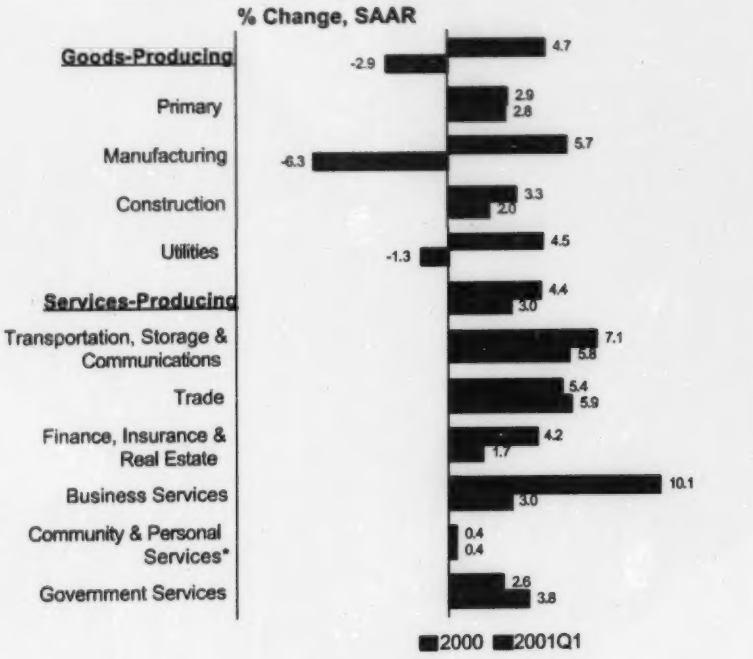
- **Production in Manufacturing dropped for the second straight quarter, accounting for most of the decline. Makers of Automotive and Electronic Products (notably telecommunications equipment) registered the largest declines.**

- **Higher output in the Primary sector was fuelled by brisk activity in the oil and gas sector.**

Services industries raised output a solid 3.0% in the first quarter, though this compares to an overall gain of 4.4% in 2000.

- **Gains were led by Retail & Wholesale Trade, Communications and Real Estate. Growth in Business Services, which include Computer, Scientific, Technical & Engineering Services, slowed to 3.0%, down from a 10.1% gain last year.**

Real GDP Growth by Industry: 2001Q1



Source: Statistics Canada

*Education and Health & Social Services

J-1

...as capacity utilization falls in most industries...

Capacity utilization in the Goods-producing industries fell to 84.1% in the first quarter, down from a 12-year high of 85.8% three quarters ago.

Capacity use in Manufacturing was down for the second consecutive quarter.

- **Lower production of telecommunications equipment led to a 13-point drop in capacity utilization for Electrical & Electronics Products (the largest on record). Auto makers also scaled back production during the quarter.**

- **Within non-durables, rising domestic and export demand for Pharmaceuticals raised capacity use.**

Outside of Manufacturing, capacity utilization in Construction was flat, but fell for Logging & Forestry. Capacity use in the Mining sector was boosted by vigorous drilling and rigging activity in the oil patch.

Capacity Utilization: Non-farm Goods-producing Industries

	Level (%) 2001Q1	Change (% points) Q/Q	Y/Y	10-year Average
Total Non-Farm Goods-Producing	84.1	-1.0	-1.5	81.8
Logging & Forestry	76.6	-1.8	-8.4	81.0
Mining & Quarrying	94.4	2.1	5.0	84.6
Crude Petroleum & Natural Gas	69.7	0.5	0.1	77.8
Manufacturing	83.5	-1.7	-2.4	81.9
Durable Goods Manufacturing	82.7	-3.6	-6.0	81.6
Wood	83.2	-1.4	-4.0	85.2
Primary Metals	86.1	-1.4	-7.2	88.8
Fabricated Metals	82.6	1.0	-3.7	78.0
Transportation Equipment	84.8	-2.2	-5.9	83.0
Electrical & Electronic Products	83.3	-13.0	-9.2	80.7
Non-Durable Goods Manufacturing	84.6	0.9	2.5	82.1
Food Products	82.0	0.6	1.9	80.4
Plastic Products	79.7	-3.1	-5.9	79.5
Paper & Allied Products	91.1	-1.8	-1.6	89.8
Printing & Publishing	80.3	-0.2	-0.2	79.8
Chemical & Chemical Products	89.6	6.0	13.9	82.8
Construction	90.9	0.0	-1.2	83.1
Electric Power & Gas	85.8	-0.6	0.9	82.5
Energy	77.9	0.0	0.4	80.5
Total Excluding Energy	85.3	-1.2	-2.0	82.3

Source: Statistics Canada

...and higher energy prices cut into profits

Corporate operating profits declined 6.9% in the first quarter, the third straight drop.

- **Profits were down in 16 of 24 industry groups. Financial industries accounted for three-quarters of the overall drop.**

The slowing U.S. economy weakened profits in Manufacturing for the fourth straight quarter. The Automotive sector was hit hard by slowing demand, as were producers in the Electronic & Computer industry. Higher energy costs and slowing demand cut into Mining profits.

However, profits surged in the Oil & Gas industry, boosted by strong demand and sharply-higher prices.

Within the Financial sector, profits fell sharply in the Funds & other Financial Vehicles industry due to reduced gains on the sale of securities and other assets.

Corporate Operating Profits

	2001Q1 Level ($M)	Difference 00Q4-01Q1 ($M)	00Q4-01Q1 (%)	00Q1-01Q1 (%)
Total - All Industries	44868	-3340	-6.9	-9.7
Total Non-Financial	33931	-882	-2.5	-0.3
Agriculture, forestry, fishing & hunting	525	-1	-0.2	4.4
Mineral fuels	7016	665	10.5	96.4
Mining except mineral fuels	482	-159	-24.8	-38.4
Utilities	442	58	15.1	-55.3
Construction	852	-91	-9.7	6.0
Manufacturing industries	11473	-1034	-8.3	-17.8
Wholesale trade industries	2212	12	0.5	-0.3
Retail trade industries	2140	-30	-1.4	0.6
Transportation and warehousing	841	-93	-10.0	-21.0
Information and cultural industries	1801	-271	-13.1	-5.1
Real estate, rental and leasing	2430	4	0.2	27.8
Professional/Scientific	299	-225	-42.9	-847.5
Management of companies	2016	250	14.2	-4.7
Other services to business	952	-84	-8.1	66.1
Education services	-5	-48	-111.6	150.0
Health care and social assistance	374	-12	-3.1	0.8
Arts, entertainment and recreation	150	137	1053.8	28.2
Accommodation and food services	-507	54	-9.6	-179.7
Other services	440	-11	-2.4	-2.4
Total Financial	10937	-2459	-18.4	-30.1
Depository credit intermediation	3769	-197	-5.0	-7.7
Non-depository credit intermediation	1027	-68	-6.2	25.2
Insurers	1530	61	4.2	31.0
Funds and other financial vehicles	3557	-2065	-36.7	-56.3
Other financial intermediaries	1053	-190	-15.3	-26.3

Source: Statistics Cana

Job losses take hold in Manufacturing...

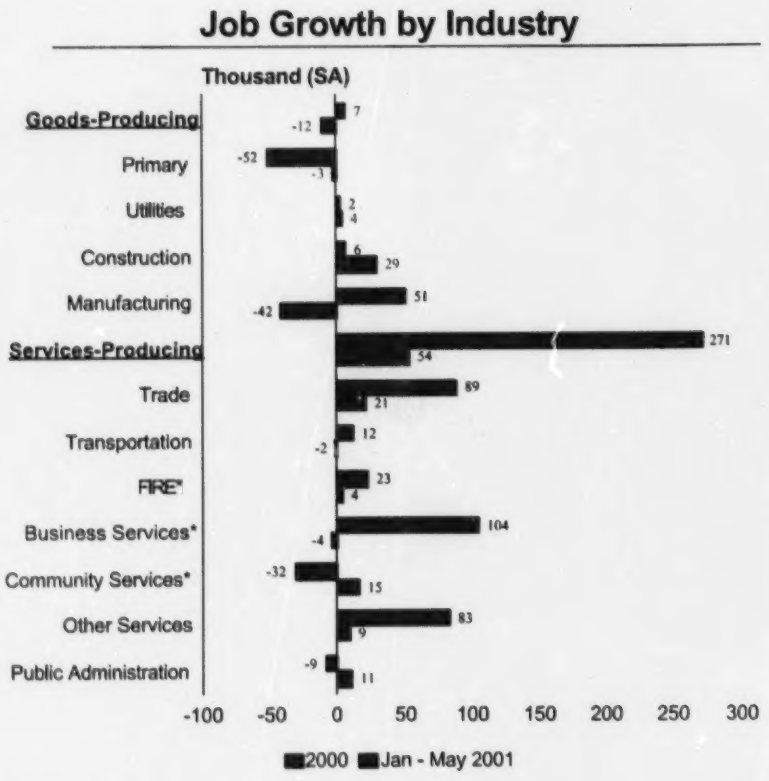
Employment in the Goods-producing industries was down by 12,000 in the first five months of the year.

- **These losses have been concentrated in Manufacturing, offsetting strong gains late in 2000.**

- **Employment in Agriculture has been declining for the past two years, contributing to year-to-date losses in the Primary sector.**

In the Services-producing industries, 54,000 jobs have been created since the beginning of 2001. This is a much slower pace of job creation than in 2000.

- **Gains have been broadly based, with only Transportation and Business Services posting modest job losses. Note that despite this loss, the underlying trend in Busines Services is positive.**



*FIRE: Finance, Insurance, Real Estate and Leasing
Business Services: Management, Administrative, Professional, Scientific & Technical Services
Community Services: Educational Services, Health & Social Assistance.

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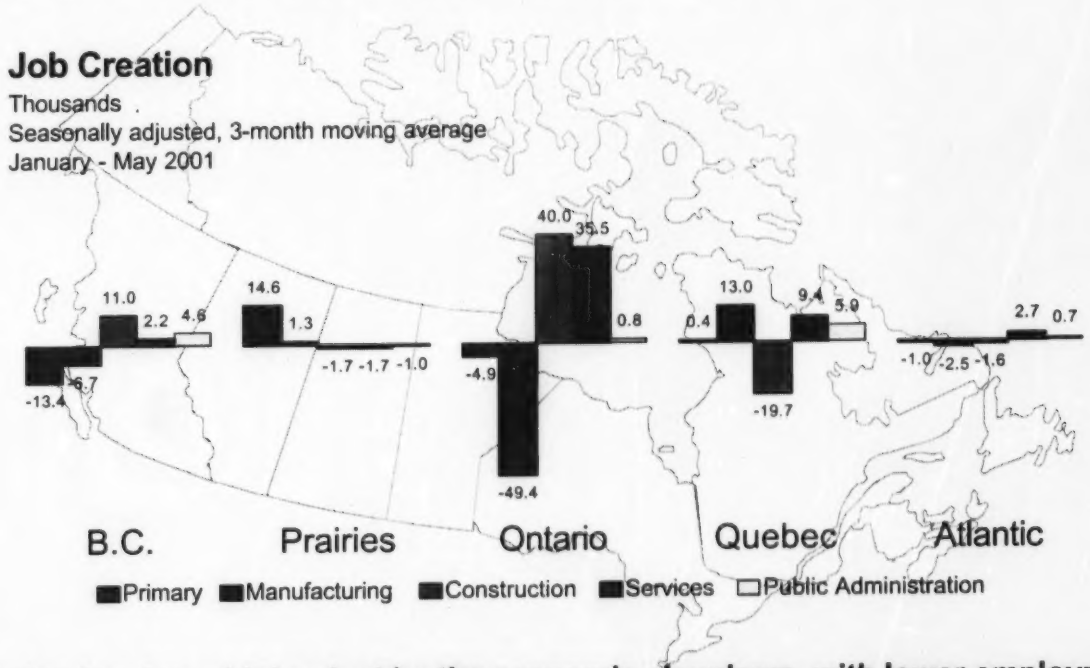
...particularly in Ontario and British Columbia



Manufacturing has been hit hardest by the economic slowdown, with lower employment in Ontario, British Columbia and Atlantic Canada. However, employment in Services is up in every region of the country except the Prairies since the beginning of the year.

Consistent with the recent strength in building permits, employment in Construction was higher in Ontario and B.C., but fell sharply in April and May in Quebec. The oil patch has driven gains in the Prairies, but Primary employment is either flat or down in all other regions.

Public sector wage settlements pick up...

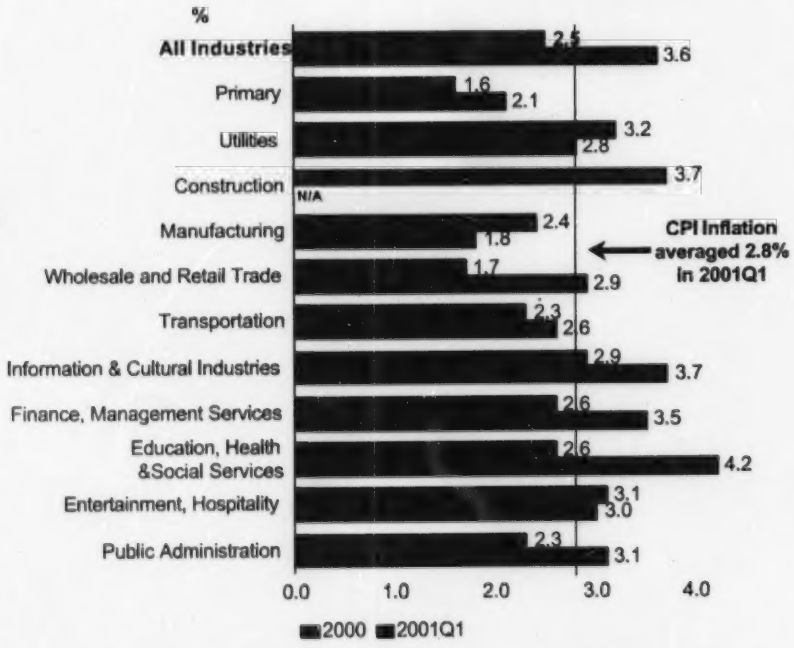
Wage settlements averaged 3.6% in the first quarter of 2001, well above the 2.4% pace set in 2000. While settlements have been trending up since 1994, most of the major agreements in the first quarter were from the public sector.

- **Wage settlements in Manufacturing were down on the quarter, one of only three major industry groups registering lower average settlements compared to last year.**

- **Settlements in seven of eleven industry groups were at or above consumer inflation.**

Public-sector settlements averaged 3.7% in the first quarter, well above those in the private sector (+2.4%).

Wage Settlements by Industry



Effective average annual adjustments in base wage rates from major collective bargaining agreements.

Source: Human Resources Development Canada

For Further Information

We welcome your questions, comments and suggestions? You can reach us by ...

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The *Micro-Economic Monitor* is prepared on a quarterly basis by the Micro-Economic Policy Branch of Industry Canada. The Monitor provides a quick and easy-to-read update on Canada's economic performance. It also provides topical in-depth reports on current economic issues from a micro-economic perspective.

The current analysis update was prepared by Anik Dufour, Joseph Macaluso, Arif Mahmud, Alison McDermott and Kiran Patel, under the direction of Shane Williamson. Translation has been provided by Lucie Larocque, and Sue Hopf is responsible for administrative support.

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